

PRESIDENT: Well it is helpful if the Legislature knows what the bill is about before we do that. Senator Murphy, could you explain what the bill is about even though you've withdrawn.

SENATOR MURPHY: I believe so. Actually, as simply as possible some of the larger banks and others, as well, but principally your larger banks quite often furnish money to automobile dealers to so called "floor plan" an automobile to purchase the automobile from the manufacturer. There is Senator Warner. I'll yield to him on it.

PRESIDENT: Senator Warner, we're on General File, LB 47. Senator Murphy has advised us that he has withdrawn his sponsorship. Senator Kremer is ready to discuss certain amendments. Could you discuss the bill very briefly, Senator.

SENATOR WARNER: The committee amendments have not been adopted?

PRESIDENT: They will be up along with specific amendments of Senator Kremer's. We need an explanation of the bill, sir.

SENATOR WARNER: Okay, an explanation of the bill. As I overheard Senator Murphy as I walked in, it does clarify language in the sections of law that affect the Uniform Credit Code. What it deals with specifically, as I believe Senator Murphy was indicating, when a financial institution is holding paper on the inventory that is held by a licensed dealer, and the amendment that Senator Kremer will be offering will clarify that this only pertains to a licensed motor vehicle dealer, either new or used. But the bill was introduced last session. It was LB 837. It was one that did not get across the board. It was put on General File. The language in it will clarify that a lien that the financial institution may have is on inventory, ..it clarifies it titled motor vehicles for this purpose is considered as inventory. Without it there is at least a vagueness that without the bill a lien would have to be attached to each title, individually to each automobile, making it necessary for the dealer, as individuals bought vehicles, to go in and get each one cleared separately. The language is drafted so that there is no question that the purchaser of the titled vehicle would have a free and clear title when he gets it, when it is purchased. But it does clarify that the banks lien is against the inventory and not against each titled vehicle as such. That is a general explanation of the bill, Mr. President, if you want to take the committee amendments.

PRESIDENT: Senator Dworak.

SENATOR DWORAK: Mr. President, I have one question of Senator Warner. In practice now how is it handled? Have they practiced as if the lien is on automobiles considered as inventory, or in practice do they put a lien on each individual specific vehicle on the lot?